

New York Lawyer

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Named to Head
Foreign Aid Unit

Fowler Hamilton, 50, Is a
Specialist in International
Law, Foreign Economics

Choice Ends Extended Search

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—President Kennedy, after a bumpy round of recruiting, has found a man to run the new foreign aid agency.

He nominated for the job Fowler Hamilton, a 50-year-old New York attorney who specializes in foreign economic matters and international law.

At one point, the President was ready to name George Woods, chairman of First Boston Corp., to the post. But when word of his plans leaked out a number of Senators friendly to public power development threatened a lengthy confirmation fight.

Their objections were based on First Boston's role in the so-called Dixon-Yates case. Early in former President Eisenhower's last term, the Budget Bureau worked out a proposal to provide extra electric power for the Atomic Energy Commission in the Memphis area by contracting with a utility combine made up primarily of Middle South Utilities, Inc., headed by Edgar H. Dixon, and Southern Corp., headed by Eugene Yates.

During the time this proposal was worked out, a vice president of First Boston, Adolphe H. Wenzell, worked as a Budget Bureau consultant and also continued to hold his job with First Boston, which later became the Dixon-Yates group's financial agent. The AEC ultimately asserted the Dixon-Yates contract was invalid because of Mr. Wenzell's dual role, and the Supreme Court upheld the AEC contention.

The threat of a fight on confirmation of Mr. Wenzell led the President to reconsider his pick. He dropped the idea of naming Mr. Woods. The House Press Secretary Salinger would yesterday only that Mr. Woods had been one of a number of candidates for the foreign aid job but had asked last week that his name be withdrawn from consideration, feeling that Senate opposition would have made it difficult for him to do the job even if confirmed.

Fowler in Executive Post

Henry R. Labouisse, present ICA administrator who had figured in the Administration's first plans to head the new aid agency, will take "another high executive post" in the Administration, the White House said. He is not expected to be in the aid agency. Mr. Labouisse was dropped from the running for the top foreign aid job because some Administration officials found him "not tough enough" to overhaul the program the way the President wanted.

Hamilton's title will be administrator of the Agency for International Development, and agency, under the State Dept.

Fund, and some of the lending activity of the Export-Import Bank. Mr. Hamilton, an agency head, will have the same rank as the Under Secretary of State.

The Kennedy Administration is creating the new agency as a step to make the aid pro-

gram more efficient and businesslike. It says the consolidation would avoid overlapping among aid efforts and would make it harder for foreign nations to "shop around" among lending bureaus.

Administration talent scouts originally looked for a banker or industrialist to head the agency but found it hard to get one sympathetic to the program and willing to take on the job. They thought they had the answer in Mr. Woods before the Dixon-Yates ghost arose.

Background of Hamilton

Mr. Hamilton, while not a banker or industrialist, has had considerable experience both in administration and foreign affairs. During World War II, he directed the economic warfare division in the U.S. embassy in London and headed the enemy section of the Foreign Economic Administration in Washington.

There had been speculation Mr. Hamilton might succeed Allen Dulles as head of the Central Intelligence Agency, if Mr. Dulles were replaced.

Mr. Hamilton entered Government service in 1938 as a special assistant to the Attorney General. He became director of the War Frauds unit of the Justice Department in 1942.

In 1946 he joined the New York City law firm of Cleary, Gottlieb, Steen & Hamilton. As senior partner of that firm, he has traveled extensively in Europe, Latin America, the Near East and Africa negotiating business arrangements between American and foreign companies.

In 1955, Mr. Hamilton served as counsel for a Senate investigation of U.S. air preparedness, and last year he was a member of a Kennedy-appointed task force headed by Sen. Symington (D., Mo.) to study the organization of the Defense Department. That group recommended changes that amounted nearly to a complete merger of the services.

Mr. Hamilton said that, subject to Senate approval of his appointment, he expects to take up his duties early next week.

He said he would have no responsibility for recommending allocation of funds both for economic development and military expenditures. He said he had no set views on emphasizing one over the other. "It will depend on circumstances from country to country," he said.

Mr. Hamilton described the new Agency for International Development as a "very substantial organization." It will take over several thousand employees from its predecessor organizations, he said. Mr. Hamilton added he will begin looking at once for two deputy directors and eight assistant directors, "both among existing staff and outside it, among men experienced in international economic affairs, in business or in foreign policy."

Mr. Hamilton, 50, is a 1935 graduate of the University of Missouri, St. Louis, and has three children in Greenwich, Conn. Friends describe him as "a serious man, but with a sense of humor."

He was born in Kansas City, Mo., attended the University of Missouri, St. Louis, and was a Rhodes Scholar at Oxford.

After a brief period in the youth, he now sticks to his job. He travels his main job at least once a week.